

RD AN No. 4116 (1951-E)  
October 19, 2005

SUBJECT: Specialty Lenders Division  
Servicing Requests

TO: State Directors, Rural Development

ATTN: Business Programs Directors

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to clarify the documentation that is required for any Specialty Lenders Division loan or grant servicing action request.

**COMPARISON WITH PREVIOUS AN:**

There is no previous AN on this subject.

**SERVICING AUTHORITY:**

Direct loans and grants will be serviced in accordance with 7 CFR 3016 and 7 CFR 3019 as well as Part 1951, subparts E and R.

**IMPLEMENTATION RESPONSIBILITIES:**

The following is the required information that a State Office must forward to the National Office when submitting a servicing action for a loan or grant. In addition, servicing actions that are requests for debt or grant settlements or that require other legal review must first be reviewed by the appropriate Regional Office of the General Counsel (OGC) before submitting to the National Office.

EXPIRATION DATE:  
October 31, 2006

FILING INSTRUCTIONS:  
Preceding RD Instruction 1951-E

1. A signed letter from the State Director summarizing the action requested and providing a State Office recommendation for that action.
2. A narrative explanation for the request containing the following information:
  - a) Nature of Request: A detailed description of the servicing request succinctly described (preferably in bullet point format, if multi-faceted).
  - b) A copy of the Regional OGC opinion and any available supporting documentation: This is especially important in a case where we are asked to accept a settlement on a loan or grant for less than the debt owed or the applicable value of collateral property.
3. A copy of the appraisal of real property or valuation of other property, including the executive summary.
4. Any other documentation that will support the request such as the request for approval to sell real property, an appraisal review, or other pertinent items.

If we can be of further assistance, please contact Edward P. Konieczka, Loan Specialist, Specialty Lenders Division Servicing Branch, (202) 690-0784.

*(Signed by Peter J. Thomas)*

PETER J. THOMAS  
Administrator  
Rural Business-Cooperative Service